1992

E-IS-1

INPUT

Notes

10/9/91

1992 Single European Market

- Objective—Free Movement
  - Physical
  - Technical
  - Fiscal
- Restructuring

E-IS-2

INPUT

Notes

10/9/91

1992 Single European Market

- Key Sectors
  - Vendors: Network Services
  - Users: Financial Services
- Threat—"Fortress Europe"

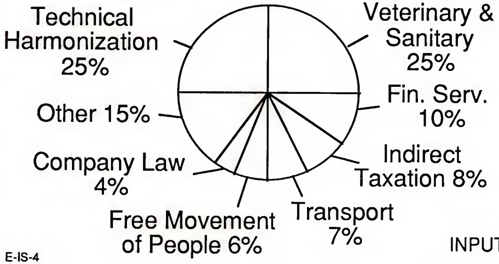
INPUT

E-IS-3

Notes

10/9/91

The Single European Act
279 Directives



E-IS-4

INPUT

Notes

10/9/91

Inhibitors to a Single European Market

Factor	Rating (1-5)
Languages	3.5
Business practices	3.0
No central administration	3.0
Customs controls	3.0

INPUT

E-IS-5

Notes

10/9/91

Business Impacts of 1992

Factor	Rating (1-5)
Telecomms liberalization	3.4
Removal of barriers	
- Technical standards	3.2
- People	3.0
- Fiscal	3.0
Larger home market	3.0

INPUT

E-IS-6

Notes

10/9/91

Issues for IS Departments

- Business persons' understanding of potential of IS
- Business ownership of projects low
- IS centralisation vs. decentralisation
- Coordination of systems
- Theoretical user autonomy
- Cost reduction

INPUT

E-IS-7

Notes

10/28/91

Trends Adopted by IS Departments

- Some users only just starting to use packages
- Increased use of consultants for specialised knowledge
- Emergence of IT directors

INPUT

E-IS-8a

Notes

10/28/91

Trends Adopted by IS Departments

- Closer links between IS and end users
- Greater use of joint IS/top management steering committees

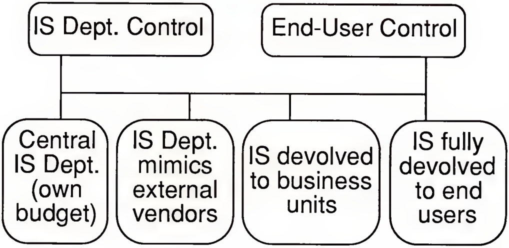
INPUT

E-IS-8b

Notes

10/28/91

Control of IS



INPUT

E-IS-9

Notes

10/28/91

IT Product Culture

- Amortized development costs
- Very controlled product changes
- High sales and marketing costs
- “Fast” delivery/revenue
- Embody knowledge and innovation in duplicated product

INPUT

E-IS-10

Notes

5/6/92

IT Project Culture

- Custom costing per project
- Profit from change management
- Work-in-progress, phased payments, completion deadlines
- Supply knowledge and innovation in customers' system

INPUT

E-IS-11

Notes

5/6/92

IT Services Culture

- "Fixed" price for level of service guarantee
- Customer perception of response time is critical
- Crisis and team management
- Profit in long-term cost reduction

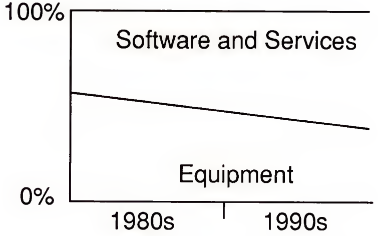
INPUT

E-IS-12

Notes

5/6/92

IT Spending Patterns



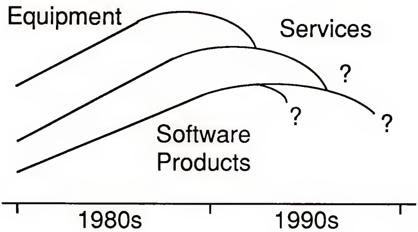
INPUT

E-IS-14

Notes

5/6/92

Waves of IT Spending



INPUT

E-IS-15

Notes

5/6/92

Information Services Industry European Market Trends in Software and Services

E-IS-16

INPUT

Notes

5/11/92

Software and Services, Europe

Key Industry Trends

- Projects downsized
- Outsourcing satisfies
- Price pressure on services
- Pan-European support
- Desktop entrants

INPUT

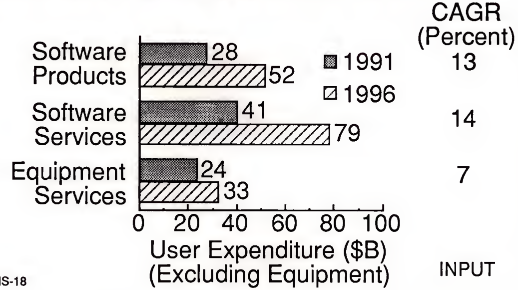
E-IS-17

Notes

5/11/92

Europe

Software and Services Markets



E-IS-18

INPUT

Notes

5/11/92

Vendor-Added Value

- Applications Management
- Systems Management
- Solution Engineering
- Systems Technology

INPUT

E-IS-19

Notes

5/11/92

Product and Service Trends

Transition Management | *Applications Maintenance* | *Applications Management*

Sys. Integ. | Sys. Oper.

Applications Software | Turnkey Systems | Processing Services

Systems Software | Professional Services | Network Services

INPUT

E-IS-20

Notes

5/11/92

Software and Services—Europe, 1991

Leading Vendors

Vendor	1991 $B	Rank 1991	Rank 1990
IBM	6.2	1	1
CGS	1.7	2	3
SNI	1.6	3	2
Digital	1.6	4	5

INPUT

E-IS-21

Notes

8/28/92

Software and Services—Europe, 1991

Leading Vendors

Vendor	1991 $B	Rank 1991	Rank 1990
Reuters	1.5	5	4
Microsoft	1.0	6	9
Groupe Bull	0.9	7	6
Andersen Consulting	0.9	8	8

INPUT

E-IS-22

Notes

8/28/92

Software and Services—Europe, 1991

Leading Vendors

Vendor	1991 $B	Rank 1991	Rank 1990
Finsiel	0.9*	9	11
ICL	0.9*	10	16
Olivetti	0.8*	11	13
EDS	0.7	12	30

E-IS-23 *Restated in 1991. INPUT

Notes

8/28/92

Software and Services—Europe, 1991

Leading Vendors

Vendor	1991 $B	Rank 1991	Rank 1990
Sema Group	0.7	13	10
Unisys	0.7	14	7
Computer Assoc.	0.6	15	12
Sligos	0.5	16	15

INPUT

E-IS-24

Notes

8/28/92

Europe

Delivery Mode Issues

- Turnkey systems—Impacted by downsizing and open systems margins
- Applications software products—Smaller systems dominate
- Systems software products—Prices under pressure

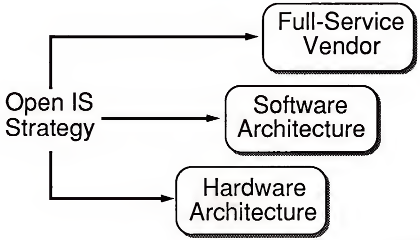
INPUT

E-IS-25

Notes

5/11/92

Vendor Selection Trends



INPUT

E-IS-26

Notes

5/11/92

Europe

Delivery Mode Issues

- Network services—High-growth opportunities
- Systems operations—Renewed satisfaction, desktop entrants
- Systems integration—Project downsizing for fast payback

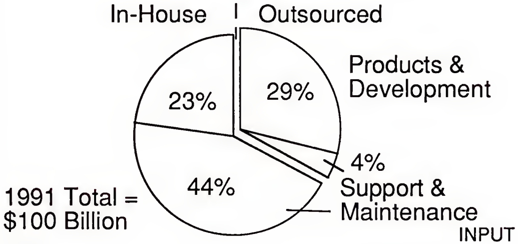
INPUT

E-IS-27

Notes

5/11/92

European User Software Budgets



E-IS-28

Notes

5/11/92

Europe

Delivery Mode Issues

- Professional services—Competition up, growth down
- Processing services—Specialized applications drive development
- Equipment services—Multivendor and environmental services grow

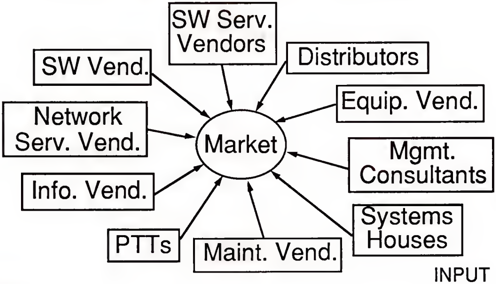
INPUT

E-IS-29

Notes

5/11/92

Increasing Competition



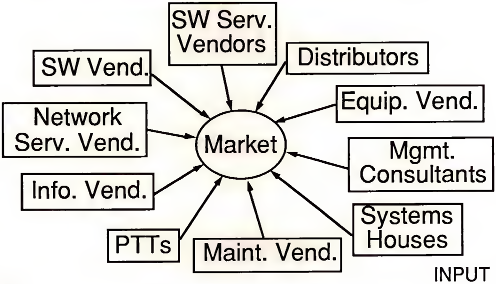
INPUT

E-IS-30

Notes

5/11/92

Increasing Competition



INPUT

E-IS-30

Notes

5/11/92

Software and Services Forecast, 1992-1997 Europe

11% CAGR
. . . and falling

INPUT

E-IS-31

Notes

8/28/92

Changing Role of IS Department

Control of Major Projects → Vendor Management Role

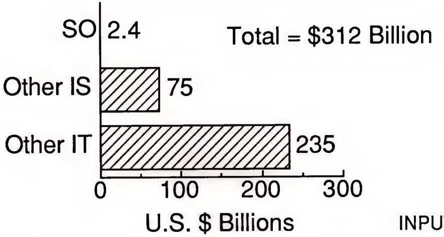
E-IS-34

INPUT

Notes

5/13/92

Total IT Expenditure
Europe, 1991



INPUT

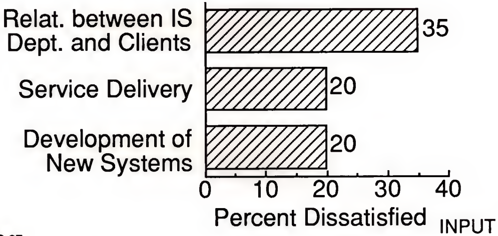
E-IS-35

Notes

5/20/92

Europe

Major Challenges for IS Depts.



E-IS-37

Notes

5/20/92

Services Industry Trends

INPUT

E-IS-38

Notes

5/28/92

Services Industry Trends 1991-1996—Primary Forces

- The Economy
- The Market Size
- The Influence of Large Vendors
- Downsizing
- The Changing Buyer
- Outsourcing
- The Standards Process

INPUT

E-IS-39

Notes

5/28/92

IT User Expenditure Europe—Historical Growth

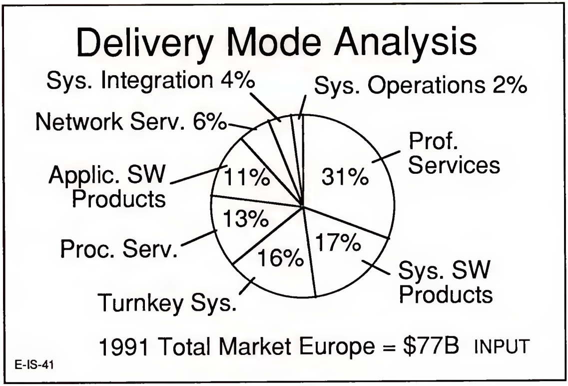
Category	'81 ($B)	CAGR (%)	'91 ($B)
Systems	25	9	60
Systems Software	1	28	12
Equipment Maint.	5	12	15
Services	9	20	58
Total	40	14	145

INPUT

E-IS-40

Notes

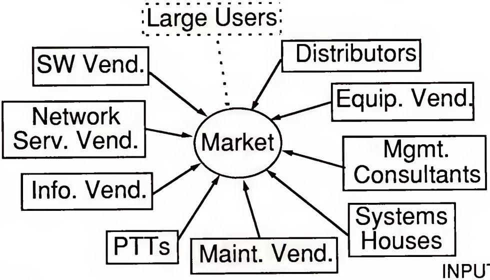
5/28/92


Delivery Mode Analysis
Sys. Integration 4%
Sys. Operations 2%
Network Serv. 6%
Prof. Services
31%
Applic. SW Products
11%
13%
Proc. Serv.
16%
17%
Sys. SW Products
Turnkey Sys.
1991 Total Market Europe = $77B
INPUT
E-IS-41

Notes

5/28/92

Increasing Competition



INPUT

E-IS-42

Notes

5/28/92

Europe

Software and Services

Key user demands

- Value for money
- Cost reduction
- Effectiveness

INPUT

E-IS-43

Notes

8/28/92

Europe

Software and Services

Key user demands

- Value for money
- Cost reduction
- Effectiveness

INPUT

E-IS-43

Notes

8/28/92

Europe

Software and Services

Getting value for money from IT

- User ownership
- Benefits to business
- Productivity improvement
- Essential to infrastructure

E-IS-44

INPUT

Notes

8/28/92

Europe

Software and Services

Getting value for money from IT

- User ownership
- Benefits to business
- Productivity improvement
- Essential to infrastructure

E-IS-44

INPUT

Notes

8/28/92

Europe

Software and Services

Seeking cost reduction for IT

- Downsizing
- Outsourcing
- 80% solutions

INPUT

E-IS-45

Notes

8/28/92

Europe

Software and Services

Seeking cost reduction for IT

- Downsizing
- Outsourcing
- 80% solutions

E-IS-45

INPUT

Notes

8/28/92

Europe

Software and Services

Improving effectiveness from IT

- Business process re-engineering
- Simplification
- Speed of implementation
- Flexibility

E-IS-46

INPUT

Notes

8/28/92

Europe

Software and Services

Improving effectiveness from IT

- Business process re-engineering
- Simplification
- Speed of implementation
- Flexibility

E-IS-46

INPUT

Notes

8/28/92

Software and Services—Europe, 1991

Changing Market Shares

Vendor's Main Business	Percent 1981	1991	2001
Software Products	9	13	16
Equipment Products	39	35	40
Processing/Networks	31	5	7

E-IS-47

INPUT

Notes

11/23/92

Software and Services—Europe, 1991

Changing Market Shares

Vendor's Business	1981 (Percent)	1991 (Percent)
Professional Services	18	38
Management Consultancy	3	7
Software Products	9	13
Processing/Networks	31	3

E-IS-47

INPUT

Notes

8/28/92

Software and Services—Europe, 1991

Changing Market Shares

Vendor's Main Business	Percent 1981	1991	2001
Independent Services	18	40	27
Management Consultancy	3	7	10

E-IS-48

INPUT

Notes

11/23/92

Software and Services—Europe, 1991

Changing Market Shares

Vendor's Business	(Percent) 1981	1991
Equipment Vendor	39	35
Maintenance	0	2
Distribution	0	1
Telecommunications	0	1

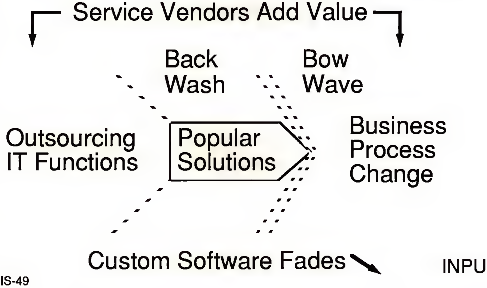
E-IS-48

INPUT

Notes

8/28/92

The Tidal Wave of Change

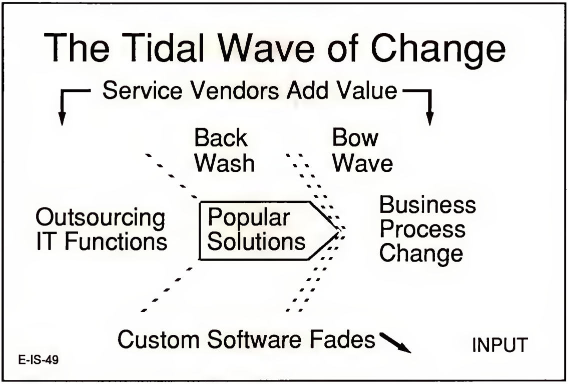


INPUT

E-IS-49

Notes

8/28/92

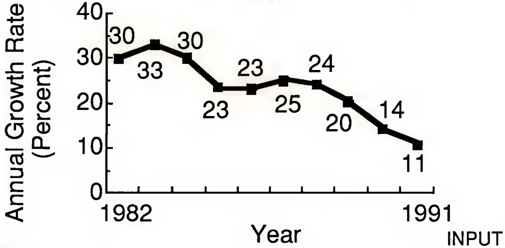

The Tidal Wave of Change
Service Vendors Add Value
Back Wash
Bow Wave
Outsourcing IT Functions
Popular Solutions
Business Process Change
Custom Software Fades
INPUT
E-IS-49

Notes

8/28/92

Software and Services, Europe

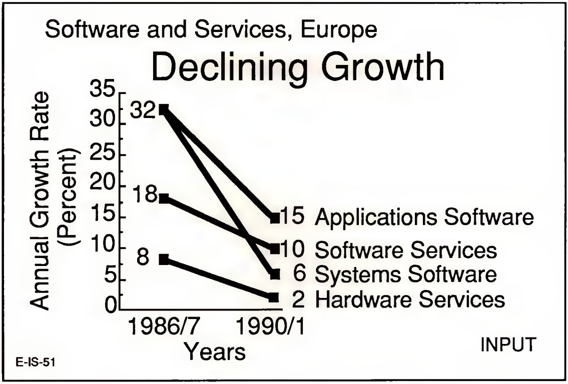
Average Growth in Spending



E-IS-50

Notes

8/28/92


Software and Services, Europe
Declining Growth
Annual Growth Rate (Percent)
35
30
25
20
15
10
5
0
32
18
8
15 Applications Software
10 Software Services
6 Systems Software
2 Hardware Services
1986/7
1990/1
Years
INPUT
E-IS-51

Notes

8/28/92

IT Spending Patterns Europe, 1992

- Changing user demands
- Impact on software and services vendors
- User spending expectations

INPUT

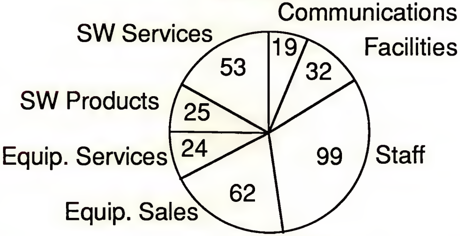
E-IS-52

Notes

10/14/92

IT Spending—Europe, 1992

$ Billions



Total: 315, CAGR 5%

INPUT

E-IS-53

Notes

10/14/92

IT Spending—Europe, 1992

	CAGR (%)
Communications	8
Facilities	1
Staff	3
Equipment Sales	2
Equipment Services	3
Software Products	11
Software Services	11

INPUT

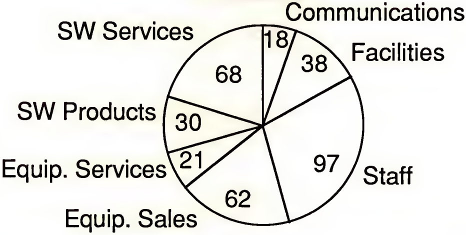
E-IS-54

Notes

10/14/92

IT Spending—France, 1992

FF Billions



E-IS-55

Total: 335, CAGR 4%

INPUT

Notes

10/14/92

IT Spending—France, 1992

	CAGR (%)
Communications	6
Facilities	1
Staff	1
Equipment Sales	1
Equipment Services	2
Software Products	10
Software Services	11

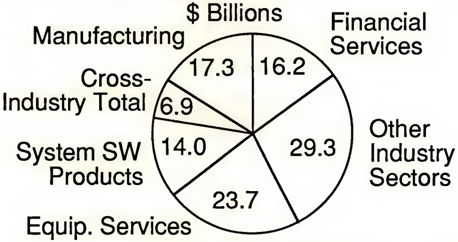
INPUT

E-IS-56

Notes

10/14/92

Information Services Spending—Europe, 1992



Total: 110, CAGR 9%

E-IS-57

INPUT

Notes

10/14/92

Information Services Spending—Europe, 1992

	CAGR (%)
Manufacturing	11
Financial Services	11
Other Industry Sectors	11
Equipment Services	3
System Software Products	7
Cross-Industry Total	12

E-IS-58

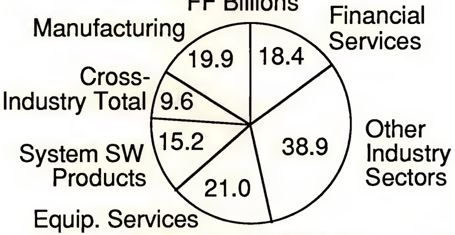
INPUT

Notes

10/14/92

Information Services Spending—France, 1992

FF Billions



Total: 125, CAGR 9%

E-IS-59

INPUT

Notes

10/14/92

Information Services Spending—France, 1992

	CAGR (%)
Manufacturing	10
Financial Services	11
Other Industry Sectors	11
Equipment Services	2
System Software Products	7
Cross-Industry Total	13

INPUT

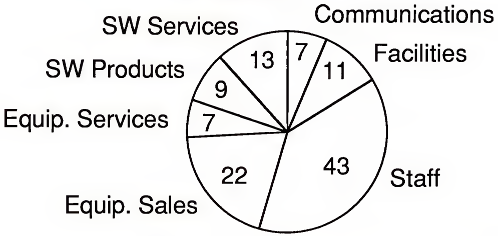
E-IS-60

Notes

10/14/92

IT Spending—Germany, 1992

DM Billions



Total: 112, CAGR 7%

INPUT

E-IS-61

Notes

11/23/92

IT Spending—Germany, 1992

	CAGR (%)
Communications	9
Facilities	1
Staff	6
Equipment Sales	4
Equipment Services	2
Software Products	13
Software Services	13

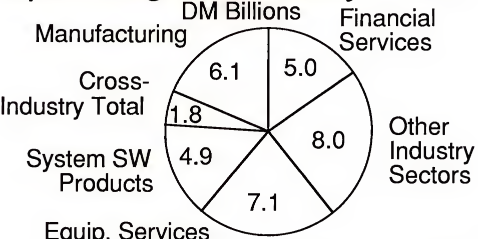
INPUT

E-IS-62

Notes

11/23/92

Information Services Spending—Germany, 1992



Total: 32.9, CAGR 11%

E-IS-63

INPUT

Notes

11/23/92

Information Services Spending—Germany, 1992

	CAGR (%)
Manufacturing	13
Financial Services	14
Other Industry Sectors	14
Equipment Services	2
System Software Products	8
Cross-Industry Total	14

INPUT

E-IS-64

Notes

11/23/92

Agenda

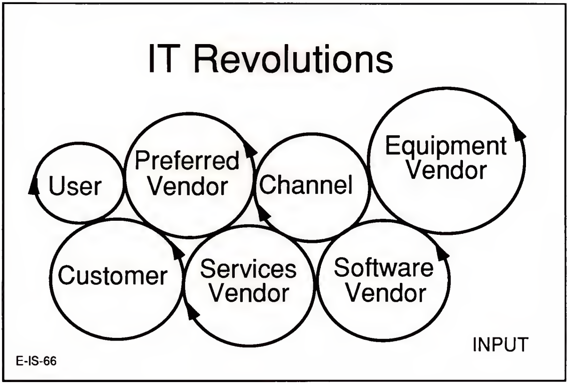
- IT Industry Revolution
- The New Software and Service Vendors
- Service Opportunities for Technology Change

INPUT

E-IS-65

Notes

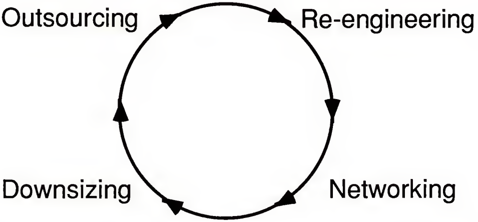
4/27/93


IT Revolutions
User
Preferred Vendor
Channel
Equipment Vendor
Customer
Services Vendor
Software Vendor
INPUT
E-IS-66

Notes

4/27/93

Customer Revolution



INPUT

E-IS-67

Notes

4/27/93

Customer Needs

- Results
- Solutions and tools
- Vendor responsibility
- Global and local support
- Business knowledge
- Simpler decisions

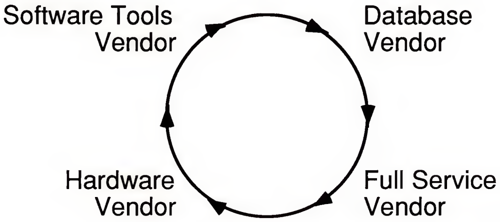
INPUT

E-IS-68

Notes

4/27/93

Preferred Vendors



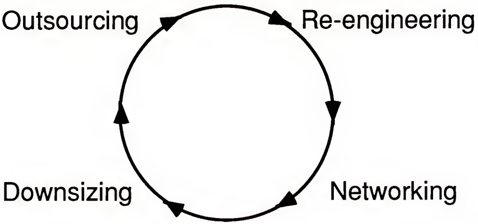
INPUT

E-IS-69

Notes

4/27/93

Vendor Revolution



E-IS-70

INPUT

Notes

4/27/93

Vendor Needs

- Face the customer
- Deliver business benefits
- Easier to buy and use
- Deliver services value
- Win market share
- Profit

INPUT

E-IS-71

Notes

4/27/93

Vendor Roles

Operations
Solutions
Packaging
Technology

INPUT

E-IS-72

Notes

4/27/93

Channels

— Operations

— Solutions

— Packaging

— Technology

On-Site ⟶ Catalogue

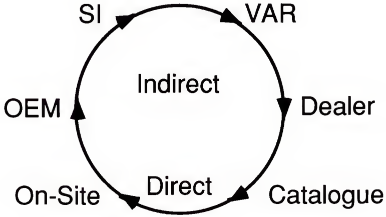
INPUT

E-IS-73

Notes

4/27/93

Channel Revolution



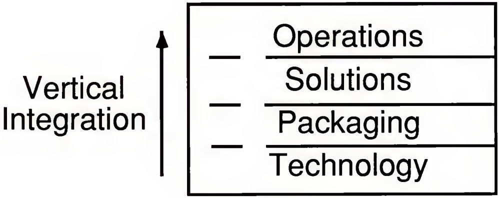
INPUT

E-IS-74

Notes

4/27/93

IT Value Chain



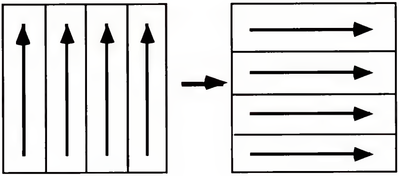
INPUT

E-IS-75

Notes

4/27/93

Industry Restructuring



Integrated

Partners

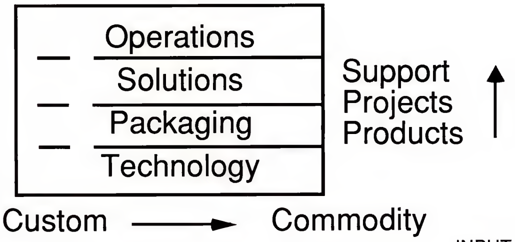
INPUT

E-IS-76

Notes

4/27/93

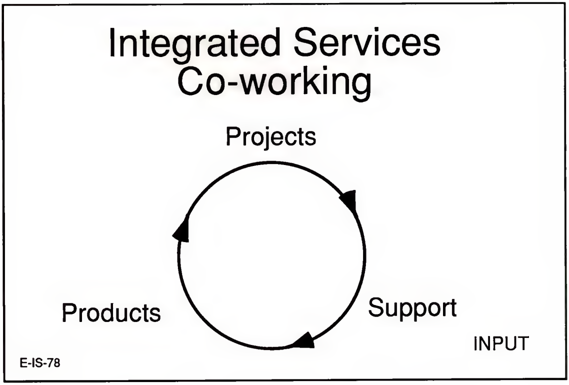
Cultures



E-IS-77

Notes

4/27/93


Integrated Services
Co-working
Projects
Products
Support
INPUT
E-IS-78

Notes

4/27/93

Metamorphosis of the Equipment Vendors

The Challenge from New Services Competitors

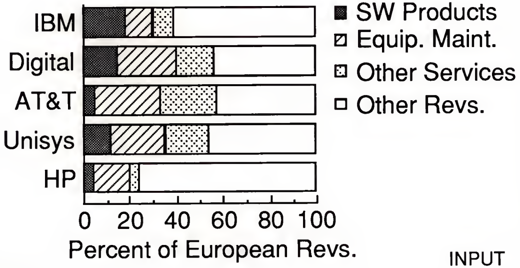
INPUT

E-IS-79

Notes

4/27/93

U.S. Equipment Vendors



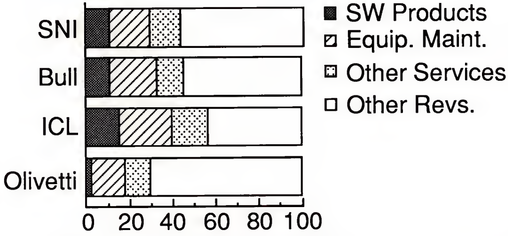
INPUT

E-IS-80

Notes

4/27/93

European Equipment Vendors



INPUT

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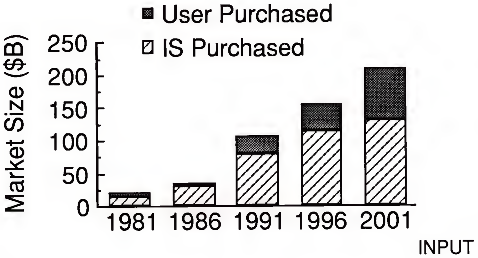
End-User Purchasing Trend



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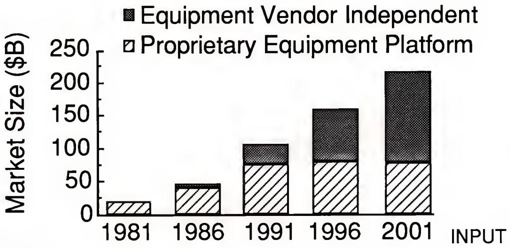
Open Software and Service Trends



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